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STATE FOR INL/AAE

E.O. 12958: N/A TAGS: <u>SNAR</u> <u>LA</u>

SUBJECT: MAJORS LIST CERTIFICATION PROCEEDURES FOR LAOS FY

2008

REF: A. STATE 072494

¶B. INL/AAE E-MAIL 291726GMAY07

- 11. (SBU) Summary. While Laos continues to be a major producer of narcotics, it reduced opium production by approximately 69% between 2005 and 2006 and has achieved a 96% decline in overall opium cultivation from its recorded peak in 1989. Production is currently estimated to be below domestic consumption, so opium is exported from Laos in very limited quantities. Methamphetamine, imported from Burma, is now the largest illicit drug problem in Laos. A dearth of law enforcement capacity has allowed Laos to become a major illicit drug transit nation. The Government of Laos (GOL) is committed to complete elimination of opium cultivation and supports programs to combat methamphetamine abuse, but remains reliant on donor support to sustain these efforts.
- 12. (U) Certification Report card. The following evaluation is based upon specific criteria established in the 2006 Letters of Agreement (LOA) between the GOL and the USG on crop control, demand reduction, and law enforcement.
- Ma. Crop Control
- 1) (U) The USG asked the GOL to reduce opium cultivation below 2000 hectares.
- --(U) Opium Cultivation declined 69 % to 1700 hectares between 2005 and 2006.
- 2) (U) The USG asked the GOL to reduce the number of opium addicts to below 5,000.
- -- (SBU) The GOL reported that it has approximately 7,700 opium addicts. GOL efforts to sustain opium detoxification programs have been hampered by limited resources as the U.S. INCLE crop control funds that support opium detoxification declined by 85% from 2001 to 2006. NAS Vientiane is working with the Lao National Commission for Drug Control and Supervision (LCDC) and the United Nations Office for Drugs and Crime Representative (UNODC) in Vientiane to restore momentum to this effort.

¶B. Demand Reduction

1) (SBU) The United States asked Laos to reduce methamphetamine abuse in Savannakhet Province, where a U.S. funded treatment facility opened in 2006, by 3%. Unfortunately, the funding currently available to Provincial Committees for Drug Control (PCDC) throughout Laos, including Savannakhet, is insufficient to support an accurate assessment of methamphetamine addiction; while the PCDCs have tabulated statistics, these cannot yet be considered reliable. NAS Vientiane's observations indicate that this

goal has not yet been achieved in Savannakhet or other provinces. While Savannakhet is working earnestly if austerely to promote drug education, the new U.S. funded provincial treatment center remains only partially operational. There are two key reasons for this: the center's staff is insufficiently trained, and Savannakhet Province underestimated the total operational cost for the center. NAS Vientiane is working with LCDC to enhance drug education in Savannakhet (as well as other provinces) and bring the Savannakhet addiction treatment center into full operation.

2) (SBU) The United States asked Laos to sustain recidivism among former drug addicts below 25%. The Somsagna Treatment Center in Vientiane, Laos' largest addiction treatment center and the only facility with both reliable means of evaluation and a statistically significant patient base, reports less than 3% recidivism for FY 2006 and the first months of FY 12007. This has not been independently verified.

¶C. Law Enforcement.

- 1) (U) The United States asked Laos to establish a credible deterrent to drug traffickers and a barrier to the importation of narcotics and amphetamines into Laos. More specifically the United States asked the GOL to increase the quantity of drugs seized and the number of drug-related arrests in Luang Nam Tha, Bokeo, and Udomxai Provinces (the Golden Triangle region) during 2007.
- --(SBU) Complete statistics are not yet available for 2007. Drug seizures and arrests declined in these provinces from 2005 to 2006, but NAS assesses that this was most likely the consequence of drug trafficking organizations shifting routes and adjusting methods in response to attempts at interdiction by the GOL. NAS Vientiane will work closely with LCDC to

further enhance this interdiction capability to the extent possible with available funding.

¶D. Illicit drug transit.

- 1) (SBU) Laos is now a major drug transit country. While the GOL's interdiction efforts in the Golden Triangle Region appear to be paying some dividends, the overall illicit transit situation is bleak. Narcotics, amphetamine type stimulants (ATS), and chemical precursors flow readily through Laos to China, Thailand, Vietnam, and throughout ASEAN. Laos has clearly become the transit route of choice in mainland Southeast Asia and is the lowest risk option for illicit drug traffickers moving shipments to larger markets.
- 2) (SBU) The GOL is well aware of the transit problem and eager to do something about it but currently lacks the law enforcement capacity necessary to protect its borders against better resourced trafficking organizations. The rapid development of new transportation arteries that pass through Laos, such as the Kunming China-Bangkok Thailand Highway, or the East-West Economic Corridor from central Vietnam to the Burmese-Thai border, threatens to completely overwhelm the customs and police units tasked to control these high-speed routes. New bilateral and regional trade agreements intended to facilitate trade may also inadvertently facilitate trafficking. This is an issue that Laos will not be able to address without greater regional cooperation.
- 13. (SBU) Comment. Laos' efforts to combat illicit narcotics and ATS are being frustrated not by lack of will but for want of capacity and support. The GOL, including the Prime Minister and especially LCDC, have repeatedly expressed the desire to pursue counter narcotics, demand reduction, and anti-trafficking projects aggressively. However, LCDC currently has neither the budget nor sufficient donor support to achieve the GOL's stated goals. End Comment.

 MCGEEHAN